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FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2008

WITH SUPPLEMENTAL INFORMATION SCHEDULES

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/4/09

**FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2008
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Franklin Parish Communications District
Winnsboro, Louisiana

We have audited the accompanying financial statements of the governmental activities of the Franklin Parish Communications District, as of and for the year ended September 30, 2008, which collectively comprise the Franklin Parish Communications District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Franklin Parish Communications District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

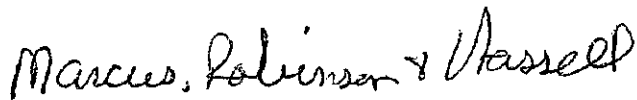
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Franklin Parish Communications District, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 14, 2009, on our consideration of the Franklin Parish Communications District's internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of the audit.

The Management's Discussion and Analysis and the Budgetary Comparison Schedules are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Franklin Parish Communications District's basic financial statements. The accompanying other supplemental information, as listed in the table of contents, is presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Franklin Parish Communications District. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Marcus, Robinson & Hassell".

MARCUS, ROBINSON & HASSELL, CPAs

Winnsboro, Louisiana
January 14, 2009

REQUIRED SUPPLEMENTAL INFORMATION

PART I

FRANKLIN PARISH COMMUNICATIONS DISTRICT
ENHANCED 911
6558 MAIN ST
P. O. BOX 366
WINNSBORO, LOUISIANA 71295

PHONE (318) 435-9110

FAX (318) 435-9194
E-Mail: fp911@bellsouth.net

Management's Discussion and Analysis

As management of the Franklin Parish Communications District, we offer readers of the Franklin Parish Communications District's financial statements this narrative overview and analysis of the financial activities of the Franklin Parish Communications District for the fiscal year ended September 30, 2008. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Financial Highlights

- Revenues of the District exceeded expenditures by \$19,059.
- Year ending September 30, 2008;
- Year 2008, Parochial Employees' Retirement System of Louisiana, employer contribution rate changing from 13.25% back to 12.75%.
- Year ending September 30, 2008, purchase of new 9-1-1 Vehicle at a cost of \$19,990.
- Year ending September 30, 2008, purchase of new 9-1-1 Simulator at a cost of \$1,885.
- Year 2009, Parochial Employees' Retirement System of Louisiana, employer contribution rate changing from 12.75% to 12.25%.
- These upgrades and improvements are self-funded through monthly telephone service charge remittances and Certificates of Deposits.

Overview of the Financial Statements

This discussion and analysis provides an overview of the District's basic financial statements. The statement of net assets and the statement of activities (Governmental-wide financial statements) provide information about the financial activities as a whole and illustrate a long-term view of the District's finances. The balance sheet and statement of revenues, expenditures and changes in fund balance – Governmental fund tell how these services were financed in the short term as well as what remains for future. The report also contains other supplementary information in addition to the basic financial statements themselves.

In the Independent Auditor's Report, the auditor assures that the Basic Financial Statements are accurately and fairly stated. This Independent Auditor's Report should be used to judge the level of assurances provided for each portion in the financial section.

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Government-wide Financial Statements

These financial statements are used to present a general overall look at the finances of the Franklin Parish Communications District similar to a private sector business.

Statement of Net Assets. By determining the difference between the assets and liabilities of the Franklin Parish Communications District "Net Assets" is determined. By comparing statements of Net Assets over a period of time, the overall financial trend of the Franklin Parish Communications District can be monitored.

Statement of Activities. This statement shows changes in the Franklin Parish Communications District's net assets during the course of the fiscal year and includes revenues and expenses. The Statement of Activities reports all changes to net assets as soon as the event affecting net assets occurs.

Fund Financial Statements – To comply with finance related legal requirements, the Franklin Parish Communications District groups related accounts into funds. Fund accounting is used by state and local governments to manage revenues or resources designated for a specific purpose.

Governmental Funds – information contained in these funds may be used to determine a government's immediate or near-term financing needs since the focus of governmental fund financial statements is on immediate or near term revenues and expenses and not only on balances available at the end of the fiscal year.

Governmental funds account for the same functions as governmental activities found in the government-wide statements but is presented with a more narrow focus. The reader may find it helpful to draw a comparison between the information presented in the governmental funds with information presented for governmental activities in the government-wide financial statements to better understand the long range impact of decisions made for near-term financing. One may choose to use the reconciliation provided for the governmental fund balance sheet and governmental fund statement of revenue, expenditures, and changes in fund balances to more clearly draw the comparison between these governmental funds and governmental activities.

A budgetary comparison statement is provided to demonstrate compliance with the District's annual adopted appropriated budget.

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Notes to the Financial Statements – These notes provide additional information which is helpful in understanding the data presented in the government-wide and fund financial statements.

Other information – This report provides certain required supplementary information above and beyond the basic financial statements and accompanying notes regarding the financial activities of the District.

Government-wide Financial Analysis

Net assets may be used to track the District's financial trend over the course of several fiscal years. As of September 30, 2008, the Franklin Parish Communications District's excess of assets over liabilities is \$321,931. Of the District's assets, \$36,072 is fixed assets (land, buildings & equipment) and is not available for future spending. This fixed assets amount is approximately 11.2049% of the total assets.

Financial Analysis of the Government's Funds

Fund accounting is used by the Franklin Parish Communications District to demonstrate its compliance with finance related legal requirements and to provide information used in determining the government's financing needs. Governmental funds are used to provide information on near-term inflows, outflows, and expendable resource balances. The unreserved fund balance may be used to gauge the government's end of year net resources that will be available for spending.

The Franklin Parish Communications District's combined governmental fund balance as of September 30, 2008, is \$285,859. The September 30, 2007 combined governmental fund balance was \$266,800 is an increase of \$19,059. Of the September 30, 2008 balances, \$285,859 is unreserved and undesignated.

General Fund Budgetary Highlights

While expenditures reported on the final budget are less than projected expenditures at the beginning of the year, the final adopted budget for September 30, 2008 reflects an increase in revenue over the original budget for the fiscal year. This is the result of slight increases in most revenue generating resources.

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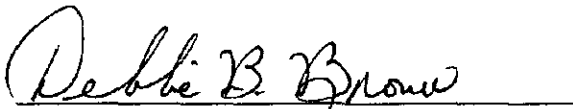
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Capital Asset and Debt Administration

Capital Assets: The Franklin Parish Communications District's investment in capital assets for its governmental activities as of September 30, 2008 amounts to \$36,072 (net of accumulated depreciation). Fixed assets increased by \$22,024 for the year.

Request for Information

This report may be used by all persons with an interest in the financial status of the Franklin Parish Communications District. It is designed to help the reader gain a general overall view of the District's finances. Any question or request for additional information should be addressed to the Franklin Parish Communications District, 6558 Main Street, PO Box 366 Winnsboro, Louisiana 71295.



Debbie B. Brown
Director

(MgmDis&Ana.doc)

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

STATEMENT A

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2008

ASSETS

Cash and Cash Equivalents	260,497
Accounts Receivable	25,880
Capital Assets (net of Accumulated Depreciation)	<u>36,072</u>
TOTAL ASSETS	322,449

LIABILITIES

Accrued Payroll Taxes	<u>518</u>
TOTAL LIABILITIES	<u>518</u>

NET ASSETS

Invested in Capital Assets, net of related debt	36,072
Unrestricted	<u>285,859</u>
TOTAL NET ASSETS	<u><u>321,931</u></u>

See Notes to Financial Statements

STATEMENT B

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u> <u>OPERATING</u> <u>AND CAPITAL</u> <u>GRANTS</u>	<u>NET (EXPENSE)</u> <u>REVENUES AND</u> <u>CHANGES IN</u> <u>NET ASSETS</u>
<u>FUNCTIONS/PROGRAMS:</u>			
<u>Public Safety:</u>			
Personal Services	110,020	0	(110,020)
Operating Services	66,673	0	(66,673)
Materials and Supplies	2,370	0	(2,370)
Travel and Other Charges	1,102	0	(1,102)
Depreciation	8,941	0	(8,941)
Total Governmental Activities	189,106	0	(189,106)
<u>PROGRAM REVENUES:</u>			
911 Fees			212,851
911 Signs			1,794
Other Income			226
Total Program Revenues			214,871
Net Program Income (Expense)			25,765
<u>GENERAL REVENUES:</u>			
Interest Income			6,377
Total General Revenues			6,377
<u>CHANGES IN NET ASSETS</u>			32,142
<u>NET ASSETS AT BEGINNING OF YEAR</u>			289,789
<u>NET ASSETS AT END OF YEAR</u>			321,931

See Notes to Financial Statements

BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

STATEMENT C

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2008

	<u>GENERAL</u>
<u>ASSETS</u>	
Cash	260,497
Accounts Receivable	<u>25,880</u>
TOTAL ASSETS	<u>286,377</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accrued Payroll Taxes	<u>518</u>
Total Liabilities	518
Fund Balances:	
Unreserved	<u>285,859</u>
Total Fund Balance	<u>285,859</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>286,377</u>

See Notes to Financial Statements

STATEMENT D

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2008

Total Fund Balances at September 30, 2008- Governmental Funds (Stmt. C)		285,859
Cost of Capital Assets at September 30, 2008	186,460	
Less: Accumulated Depreciation at September 30, 2008	<u>150,388</u>	<u>36,072</u>
<u>NET ASSETS AT SEPTEMBER 30, 2008 (STATEMENT A)</u>		<u>321,931</u>

See Notes to Financial Statements

STATEMENT E

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2008

GENERALREVENUES

911 Fees	212,851
911 Signs	1,794
Other Income	226
Interest Income	<u>6,377</u>

TOTAL REVENUE 221,248

EXPENDITURES

Personal Services	110,020
Operating Services	66,673
Materials and Supplies	2,370
Travel and Other Charges	1,102
Capital Outlay	<u>22,024</u>

TOTAL EXPENDITURES 202,189

EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES

19,059

FUND BALANCE AT BEGINNING OF YEAR

266,800

FUND BALANCE AT END OF YEAR

285,859

See Notes to Financial Statements

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
RECONCILIATION OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Total Net Change in Fund Balances - Governmental Funds (Statement E)	19,059
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Amounts reported for governmental activities in the
Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlay for the period:

Capital Outlays	22,024		
Depreciation	<u>(8,941)</u>		<u>13,083</u>
Changes in Net Assets of Governmental Activities (Statement B)			<u><u>32,142</u></u>

See Notes to Financial Statements

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

INTRODUCTION

Franklin Parish Communications District was created by the Franklin Parish Police Jury. The district is governed by a seven member board appointed by the police jury. The district is responsible for installation, maintenance and operation of a 911 emergency system in Franklin Parish.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Franklin Parish Communications District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments. Certain of the significant changes in the Statement include the following:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Communications District's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all the Communications District's activities.

B. REPORTING ENTITY

The reporting entity for Franklin Parish consists of the Franklin Parish Police Jury, which as governing authority of the parish is the component unit with oversight responsibility, and other governmental units (component units) within the parish over which the police jury exercises oversight responsibility. In accordance with GASB Codification Section 2100, Franklin Parish Communications District is considered a component unit of the parish reporting entity because: (1) commissioners of the district are appointed by the Franklin Parish Police Jury and, (2) the district provides 911 emergency service to residents within Franklin Parish. While Franklin Parish Communications District is an integral part of the parish reporting entity and should be included within the general purpose financial statements of that reporting entity, GASB Codification Section 2600 provides that a component unit may also issue financial statements separate from those of the reporting entity. Accordingly, the accompanying financial statements present information only on the financial operations of Franklin Parish Communications District and do not present information on the Franklin Parish Police Jury, the general government services provided by the police jury or on other component units that comprise the Franklin Parish reporting entity.

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The Communications District's basic financial statements include both government-wide (reporting the Communications District as a whole) and fund financial statements (reporting the Communications District's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the Communications District are classified as governmental.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the Communications District.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts: invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the Communications District's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the Communications District's general revenues.

Allocation of Indirect Expenses - The Communications District reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the Communications District are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Fund financial statements report detailed information about the Communications District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS, Continued

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The Communications District's current operations require the use of only governmental funds. The governmental fund types used by the Communications District are described as follows:

Government Fund Types

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Communications District and is used to account for the operations of the Communications District's office. The various fees and charges due to the Communications District's office are accounted for in this fund. General operating expenditures are paid from this fund.

E. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

2. Modified Accrual, Continued

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Communications District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Intergovernmental revenues and fees, charges, and commissions for services are recorded when the Communications District is entitled to the funds.

Interest income on time and demand deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the Communications District.

Based on the above criteria, intergovernmental revenue and fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

F. ENCUMBRANCES

Encumbrance accounting is not used in the Communications District's operations.

G. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the Communications District must deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

H. CAPITAL ASSETS, Continued

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the Communications District, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Depreciation</u>	<u>Estimated Lives</u>
Vehicles	5 Years
Furniture & Fixtures	3-20 Years

I. RISK MANAGEMENT

The Communications District is exposed to various risks related to torts, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District obtains its insurance coverage from the Franklin Parish Police Jury. The Franklin Parish Police Jury has joined together with other parish governments to form the Louisiana Rural Parish Insurance Cooperative, a public entity risk pool currently operating as a common risk management and insurance program for Louisiana parish governments. The Franklin Parish Police Jury pays an annual premium to the pool for its general and professional liability insurance coverage.

J. BAD DEBTS

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles. Management feels all receivables at year end are collectible and no allowance for bad debts is necessary.

K. ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

L. BUDGET PRACTICES

The proposed budget for the fiscal year ended September 30, 2008, was made available for public inspection on September 27, 2007. The proposed budget was prepared on the modified accrual basis of accounting. The budget was legally amended September 30, 2008 by the Communications District.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balances.

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

M. VACATION AND SICK LEAVE

Employees earn up to 21 days of noncumulative vacation leave and 10 days of noncumulative sick leave each year. There are no accumulated or vested benefits relating to vacation and sick leave that require accrual or disclosure to conform with generally accepted accounting principles.

NOTE 2 - CASH AND CASH EQUIVALENTS

For the purpose of these financial statements, the Communications District considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

At September 30, 2008 the Communications District has cash and cash equivalents (book balances) totaling \$260,497 as follows:

	<u>Statement of</u> <u>Net Assets</u>
Demand Deposits	<u>260,497</u>
 <u>TOTAL</u>	 <u>260,497</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At September 30, 2008, the Communications District has \$268,661 in deposits (collected bank balances). These deposits are secured from risk by \$207,658 of federal deposit insurance and \$75,233 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Communications District that the fiscal agent has failed to pay deposited funds upon demand.

The Communications District was adequately collateralized at both banks.

NOTE 3 - RECEIVABLES

The receivables at September 30, 2008, are as follows:

	<u>General</u> <u>Fund</u>
<u>Class of Receivable</u>	
Fees, Charges, and Commissions for Services	<u>25,880</u>
 <u>TOTAL</u>	 <u>25,880</u>

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

NOTE 4 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2008 follows:

	Balance September 30, <u>2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2008</u>
<u>Capital Assets</u>				
Office Furniture and Equipment	147,921	2,034	100	149,855
Vehicles	<u>16,615</u>	<u>19,990</u>	<u>-0-</u>	<u>36,605</u>
	164,536	20,024	100	186,460
<u>Accumulated Depreciation</u>				
Office Furniture and Equipment	124,932	6,561	100	131,393
Vehicles	<u>16,615</u>	<u>2,380</u>	<u>-0-</u>	<u>18,995</u>
	<u>141,547</u>	<u>8,941</u>	<u>100</u>	<u>150,388</u>
<u>Net Capital Assets</u>	<u>22,989</u>	<u>13,083</u>	<u>-0-</u>	<u>36,072</u>

Depreciation expense for the year ended September 30, 2008 was \$8,941.

NOTE 5 - PENSION PLAN

All employees of the Franklin Parish Communications District's office are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Communications District are members of Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 percent of final-average salary for each salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by State statute.

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

NOTE 5 - PENSION PLAN, Continued

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the Franklin Parish Communications District is required to contribute at an actuarially determined rate. The current rate is 12.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of active members of each plan. The contribution requirements of plan members and the Franklin Parish Communications District are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Franklin Parish Communications District's contributions to the System under Plan A for the years ending September 30, 2008, 2007 and 2006 were \$9,657, \$9,243 and \$8,632, respectively, equal to the required contributions for each year.

NOTE 6 - POSTEMPLOYMENT BENEFITS

The Franklin Parish Communications District does not provide continuing health care and life insurance benefits for retirees.

NOTE 7 - ON-BEHALF PAYMENTS

The Communications District's office is located in the parish courthouse annex. Expenditures for operation and maintenance of the courthouse annex, as required by Louisiana Revised Statute 33:4715, are paid by the Franklin Parish Police Jury.

NOTE 8 - LITIGATION AND CLAIMS

At September 30, 2008, the Communications District is involved in no lawsuits.

NOTE 9 - SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

The following is a list of board members and the amount of compensation paid to each:

Kevin Cobb	-0-
Don Brown	-0-
Mitch Reynolds	-0-
Bill McLemore	-0-
Miles Kiper	-0-
Eugene Parker	-0-
Preston Mingo	-0-
	<u>-0-</u>

REQUIRED SUPPLEMENTAL INFORMATION

PART II

SCHEDULE 1

**FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<u>REVENUES</u>				
911 Fees	212,600	208,482	212,851	4,369
911 Signs	1,700	1,582	1,794	212
Other Income	0	226	226	0
Interest Income	700	272	6,377	6,105
TOTAL REVENUE	215,000	210,562	221,248	10,686
<u>EXPENDITURES</u>				
Personal Services	85,747	97,885	110,020	(12,135)
Operating Services	86,300	80,412	66,673	13,739
Materials and Supplies	4,050	2,356	2,370	(14)
Travel and Other Charges	3,500	1,087	1,102	(15)
Capital Outlays	35,000	20,175	22,024	(1,849)
TOTAL EXPENDITURES	214,597	201,915	202,189	(274)
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	403	8,647	19,059	10,412
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	210,693	239,697	266,800	27,103
<u>FUND BALANCE AT END OF YEAR</u>	211,096	248,344	285,859	37,515

See Notes to Financial Statements

SCHEDULE 2

**FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA
NOTE TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

A proposed budget is prepared on the modified accrual basis of accounting. The budget is then legally adopted by the Communications District and amended during the year, as necessary. The budget is established and controlled by the Communications District at the object level of expenditure. Appropriations lapse at year end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Franklin Parish Communications District
Winnsboro, Louisiana

We have audited the accompanying financial statements of the governmental activities of the Franklin Parish Communications District, as of and for the year ended September 30, 2008, which collectively comprise the Franklin Parish Communications District's basic financial statements and have issued our report thereon dated January 14, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Franklin Parish Communications District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Franklin Parish Communications District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Franklin Parish Communications District's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control component does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Franklin Parish Communications District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Franklin Parish Communications District's financial statements that is more than inconsequential will not be prevented or detected by the Franklin Parish Communications District's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs (Item 2008-01) to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Franklin Parish Communications District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Franklin Parish Communications District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Franklin Parish Communications District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Franklin Parish Communications District's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the Franklin Parish Communications District, management of the District, interested state agencies, and the Legislative Auditor of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the office of the Louisiana Legislative Auditor as a public document.


MARCUS, ROBINSON & HASSELL
January 14, 2009

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA

SCHEDULE 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2008

PART I - SUMMARY OF THE AUDITOR'S RESULTS

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There was one significant deficiency required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States. The significant deficiency was not considered to be a material weakness.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

No federal awards received.

PART II - FINDING(S) RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS:

Findings, Reference # and Title: 2008-01

Lacking sufficient capable expertise to prepare financial statements and related footnote disclosures.

Condition:

Management does not have sufficient capable expertise to prepare financial statements and related footnote disclosures.

Recommendation:

No action recommended.

**Management's Response and
Planned Corrective Action:**

We concur with the finding, but it is not economically feasible for corrective action to be taken.

PART III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

See Notes to Financial Statements

FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA

SCHEDULE 4

SCHEDULE OF PRIOR YEAR FINDINGS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2008

SECTION I - Internal Control and Compliance Material to the Financial Statements

FINDINGS

RESPONSE

2007-01 Lacking sufficient capable
expertise to prepare the financial
statements and related footnote disclosures.

Unresolved

SECTION II - Management Letter

None issued.